



## MONTANA TEACHERS' RETIREMENT SYSTEM

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### FAMILY LAW ORDER (INFORMATION PACKET)

This guide is designed to provide attorneys representing the parties involved in a marriage dissolution with a better understanding of how the Montana Teachers' Retirement System (TRS) pension benefits may be divided in a settlement of property. This information includes a suggested method for the division of this property, a summary of options available to plan participants (TRS member or retiree), and a summary of the effect these options have on the division of TRS pension benefits. The TRS staff cannot give legal advice concerning the division of marital property because it is the participant's own responsibility to seek private legal counsel in this regard. Only a court having proper jurisdiction may provide interpretation of a dissolution decree. The primary responsibility of the TRS is to make sure the pension plan does not pay benefits in an amount greater than the amount the participant is entitled to receive.

#### THE SCOPE

A **Family Law Order (FLO)** is a certified copy of a judgment, decree, or order of a court of competent jurisdiction concerning spousal maintenance, or marital property, rights that includes a transfer of all or a portion of a TRS participant's payment rights to an alternate payee. The **participant** under a FLO is limited to the TRS member (active or inactive) or a retiree. For the purpose of the FLO, an alternate payee means a former spouse of the member or retiree.

Laws governing the division of a participant's retirement benefits can be found under all public retirement systems administered by the State of Montana including Public Employees' Retirement System (PERS), Judges, Highway Patrol Officers, Sheriffs, Game Wardens, Municipal Police Officers, Firefighters, and Teachers (See Title 19, Chapters. 2, 3, 5 - 9, 13, and 20, MCA). **These instructions and examples, however, are only concerned with the division of benefits administered by the TRS under a Family Law Order (§19-20-305, MCA).** Please contact the Public Employees' Retirement Administration at PO Box 200131, 100 North Park Avenue, Suite 220, Helena, Montana 59620-0131, or by telephone at (406) 444-3154 for information regarding the division of any other Montana public pension benefit.

A FLO allows for the payment of public pension system benefits with the following restrictions:

- *Payments **cannot** begin until the member has terminated all employment covered under TRS, submits a valid application for withdrawal or retirement, and the benefit becomes payable.*
- *The maximum amount payable to an alternate payee cannot exceed the amount of the participant's account balance, or the amount of the pension benefits payable under the terms of the TRS.*
- *Payments to the alternate payee may not exceed the alternate payee's life.*
- *A FLO cannot require a lump-sum payment from the assets of the pension plan, prior to withdrawal by the TRS participant.*

These restrictions may limit a FLO's usefulness for spousal maintenance.

## **BACKGROUND**

The most likely use of a FLO will be for the distribution of marital property. A long line of cases has held that public pension retirement benefits and accounts are marital assets which must be considered by the court when equitably distributing the marital estate (See In re the Marriage of Keedy, 249 Mont 47, 813 P2d 442, (1991); In re the Marriage of Butler, 243 Mont 521, 795 P2d 467 (1990); In re the Marriage of Sirucek, 219 Mont 334, 712 P2d 769 (1985); In re the Marriage of Roffe, 216 Mont 39, 699 P2d 79 (1985); Sowell v. Teachers' Retirement System, 214 Mont 200, 693 P2d 1222 (1984)). However, prior to the 1993 Montana legislative session, the Supreme Court had ruled that a Highway Patrol Officers' Retirement System member's benefit payment could not be divided pursuant to a divorce decree (See State ex rel. Neuhausen v. Nachtsheim, 253 Mont 296, 833 P2d 201 (1992)). The Court's legal analysis would apply equally to the TRS.

## **NOT A QDRO**

**Qualified Domestic Relations Order** [QDRO, pronounced quadro]. A "QDRO" provides a method for dividing private pension plan assets in accordance with 29 USC § 1056(d), Section 206(d) of the Employee Retirement Income Security Act, as amended. QDROs cannot be applied to public retirement plans. For this reason, the Teachers' Retirement Board (together with the Public Employees' Retirement Board) asked the 1993 legislature to create Family Law Orders which allow for the distribution of all or part of a TRS participant's retirement benefits to an alternate payee.

To maintain the actuarial funding of the TRS and to reduce the cost of administration, a FLO has more restrictive criteria than a QDRO. For example, a FLO cannot require payment of a different nature than is available to the TRS participant. This means a FLO may not direct the liquidation of a portion of a TRS account for payment to an alternate payee because liquidation is not an option available to the original payee.

## **FLO REQUIREMENTS**

**In a much-summarized form, a FLO must incorporate the following information:**

1. Name, address and Social Security Number (or federal ID number) of the TRS participant (active member, inactive member, or benefit recipient) and the alternate payee designated in the FLO.
2. A statement regarding the type of disposition (i.e., marital property or spousal maintenance) must be included in the FLO. Both participant and alternate payee will receive a tax Form 1099-R reporting the amount they received during the tax year.
3. A description of the alternate payee's right to monetary payments, including future increases, upon the member's termination of employment resulting from any of the following events.
  - A. Service Retirement
  - B. Disability Retirement
  - C. Death of the TRS member prior to retirement (survivor benefits)
  - D. Withdrawal of the member's account balance upon termination of employment
4. Review by the TRS board. Each FLO establishing a final obligation concerning payments by the TRS must contain a statement that the order is subject to review and approval by the TRS. A FLO may be modified only by a subsequent FLO amending the previous order.
5. Effective date. A FLO will be effective the first of the month following receipt of a certified copy of the FLO and cannot be applied to benefits already paid by the System.

A complete explanation of FLO requirements regarding the TRS is contained in the next sections of this guide, and the state statute (§19-20-305, MCA).

## **PAYMENT RIGHTS**

As with all rights, the payment rights transferred to the alternate payee can be no more than those available to the participant i.e., the TRS member or retiree. Participant's payment rights fall into four general categories: service retirement monthly payments; disability payments; pre-termination survivorship payments; or, withdrawal of member contributions.

A **service retirement benefit** is available when a member terminates employment covered under the TRS and applies for benefits. Generally, members are eligible for reduced service retirement benefits as early as age 50 with a minimum of 5 full years of creditable service; for full benefits at age 60 with a minimum of 5 years of creditable service; or, at any age with at least 25 years of creditable service.

A **disability retirement benefit** is available if a member becomes disabled and cannot continue to perform the primary duties of his/her position covered under the TRS. Members are eligible for disability benefits provided they have 5 or more years of creditable service in the TRS; they became disabled while an active contributing member of the TRS; and the member is found by the Board to be physically or mentally incapacitated for the further performance of their duties and their disability is likely to be permanent. If the member retired on a disability retirement benefit and the benefit is subsequently canceled pursuant to §19-20-603 or 19-20-905, MCA, the alternate payee's payments also terminate.

A **survivor retirement benefit** is payable to the designated beneficiary of an active contributing TRS member who dies prior to termination of employment. The designated beneficiary may elect to receive a lump sum refund of the member's personal contributions plus interest; or, a monthly survivor's benefit in lieu of the lump sum refund of the member's account balance if the member has at least 5 full years of membership service at the time of their death. The effective date of a monthly survivor benefit will be the first of the month following the member's date of death. This benefit will be payable during the beneficiary's lifetime and cease upon the beneficiary's death. No optional forms are available.

Members can only **withdraw** their contributions when they terminate all employment covered under the TRS. Only member contributions and accumulated interest can be withdrawn; employer or other contributions **cannot**. Member contributions may be divided on the basis of a percentage of the total member contributions or a definite dollar amount. The percentage or dollar amount must be specified or susceptible to calculation on the face of the document. Once member contributions are withdrawn, neither the member nor the alternate payee will receive a monthly retirement benefit. While a FLO may not be used to prevent a member's withdrawal of contributions, a FLO may make the member's withdrawal of contributions financially unattractive.

A FLO must provide for a portion of the full benefit to be paid to the alternate payee at the time of the TRS member's retirement. This is done either by an actuarial adjustment of the participant's benefits payable for the alternate payee's life, or by stipulating that a fixed dollar amount be paid to the alternate payee for a determinable period of time not to exceed the life of the participant. To determine the actuarial adjustment you must start by dividing the number of years of service the benefit was earned during the marriage, by the total number of years of service credited to the participant at the time of retirement. This fraction is then multiplied by a percentage (typically 50 percent) to reflect the alternate payee's marital portion of the pension benefit earned during the marriage, which must be actuarially adjusted to calculate the actuarial equivalent benefit payable for the life of the alternate payee. For example, if the number of years earned during the marriage was 15 and the participant retired with 25 years of service, 30%  $[(15 \div 25) * 50\%]$  of each monthly benefit would be used to determine the actuarial equivalent benefit payable to the alternate payee. (See Appendixes A (active members) and B (retired member) for examples for FLOs using this formula.)

TRS retirees are entitled to post-retirement adjustments called a **Guaranteed Annual Benefit Adjustments** (GABA). With payment of the January benefit each year, all benefit recipients who have been receiving benefits for at least 36 months will receive a GABA of 1.5%. If the alternate payee is receiving a lifetime annuity, they will receive a proportional share of the GABA.

**TEACHERS' RETIREMENT SYSTEM  
FAMILY LAW ORDER – FORMAT OPTIONS**

A FLO has more restrictive criteria than a QDRO under federal law (26 USC §§ 72, et seq, and 29 USC §§ 1001, et seq). However, a properly drafted FLO will also meet the criteria necessary for a QDRO. To be effective a FLO must be incorporated directly or by reference in a court order, judgment, or decree by a court of competent jurisdiction (in these forms, the term "order" will be used to mean each of these alternatives). Each FLO establishing a final obligation concerning payments by the TRS must contain a statement that the order is subject to review and approval by the TRS Board.

**This information is based on Montana law as of March 30, 2007. If there are discrepancies between this information and the law, the provisions of the law in effect at the time of the order's implementation will prevail.**

These formats are a starting point, not a definitive interpretation. These forms are not exhaustive, nor do they attempt to provide all legally necessary justification for a particular implementation of a FLO. Implementing terms structured more closely to those in the provided forms will be more easily recognizable as appropriate by reviewing TRS staff. These forms also do not address every potential complication that might be posed by the other parties. Difficult circumstances will require diligent consideration of the alternatives available to the other party, and the anticipated reaction that might be necessary.

**1. THE PARTIES**

- A. Gayle Smith (Payee) is a participant in the Teachers' Retirement System (TRS). Payee's full legal name, address, social security number, and birth date are:

James Smith  
100 From Street  
Big Town, MT 59000  
555-55-5555  
07/28/45

- B. Allie Smith is an alternate payee entitled to marital property from Payee, pursuant to Section 19-20-305, MCA, as specified in this document. Alternate payee's full legal name, address, social security number, and birth date are:

Allie Smith  
Motor Drive  
Anywhere, MT 59600  
000-00-0000  
12/20/34

**2. TYPE OF DISTRIBUTION**

A statement regarding the type of disposition, marital property or spousal maintenance, must be included in the FLO.

**3. RIGHT TO MONETARY PAYMENTS**

The FLO must provide for the possible division of each type of retirement benefit, i.e., service retirement benefits, disability retirement benefits, survivor benefits, or withdrawal.

## A. SERVICE RETIREMENT BENEFITS

If the participant receives a service retirement benefit, the alternate payee is entitled to receive an actuarially equivalent amount payable for the life of the alternate payee (alternative 1)<sup>1</sup>, or a fixed amount (alternative 2)<sup>2</sup> of no more than the amount payable to the participant. A fixed amount must be payable for a determinate period of time not greater than the life of the participant.

If alternative 1 is selected, the alternate payee is entitled to a percentage of each monthly benefit payment which would otherwise be payable to participant calculated as X% times [the number of years of service the TRS benefit was earned during the marriage] divided by [the total number of years used to calculate participant's retirement benefit]. The amount payable to the alternate payee will be the actuarial equivalent benefit payable for the life of the alternate payee as determined by the Teachers' Retirement Board.

## B. DISABILITY RETIREMENT BENEFITS

If the participant receives a disability retirement benefit, the alternate payee is entitled to receive an actuarially equivalent amount payable for the life of the alternate payee (alternative 1), or a fixed amount (alternative 2) of no more than the amount payable to the participant. A fixed amount must be payable for a determinate period of time not greater than the life of the

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### <sup>1</sup> ALTERNATIVE 1 - ACTUARIAL EQUIVALENT AMOUNT

A FLO may specify a percentage of the retirement benefit to be divided determined by the formula below. However if the participant is still employed in a TRS eligible position, the actual percentage amount cannot be determined at the time of the dissolution because it is not known how long the participant will continue to be employed in a position covered under the TRS. Accordingly, the formula for dividing the benefit at the time the participant begins receiving a benefit provided for in statute must become a part of the FLO.

Formula:

*X% times [the number of years of service the TRS benefit was earned during the marriage] divided by [the total number of years used to calculate participant's retirement benefit]. The percentage calculated by this formula will be multiplied by the total amount payable to the participant.*

The dollar amount determined under this formula will be actuarially adjusted to arrive at an actuarial equivalent benefit payable for the life of the alternate payee. The actuarial annuity factor will be based on the ages of the participant and the alternate payee at the time benefits commence.

For example:

- Years of service benefit was earned during marriage = 15 years
- Total years of creditable service used to calculate benefit = 25 years
- Percentage share = 50%
- Monthly retirement benefit = \$2,000
- Participant age 55
- Alternate payee age 57
- Actuarial annuity factor = 1.0278

Alternate payee would be entitled to \$616.68  $[(15/25 * 50%) * \$2,000] * 1.0278$  per month for the remainder of their life.

If alternative 1 is selected, all GABA adjustments made pursuant to §19-20-719, MCA, will be apportioned to the alternate payee in the same percentage determined calculated by the formula stated above.

### <sup>2</sup> ALTERNATIVE 2 - FIXED AMOUNT

A FLO may specify a fixed amount of no more than the amount payable to the participant. A fixed amount must be payable for a determinate period of time not greater than the life of the participant. If a fixed dollar amount is required, all benefits will terminate upon the death of the participant.

If alternative 2 is selected, the alternate payee will not be entitled to any post retirement benefit adjustments made pursuant to §19-20-719, MCA.

participant. The alternate payee is entitled to a percentage of the amount payable to the participant as determined by the following formula.

If alternative 1 is selected, the alternate payee is entitled to a percentage of each monthly benefit payment which would otherwise be payable to participant calculated as  $X\%$  times [the number of years of service the TRS benefit was earned during the marriage] divided by [the total number of years used to calculate participant's retirement benefit]. The amount payable to the alternate payee will be the actuarial equivalent benefit payable for the life of the alternate payee as determined by the Teachers' Retirement Board.

If the disability retirement benefit is canceled pursuant to §19-20-603 or 19-20-905, MCA, the alternate payee's payments also terminate. When the participant again qualifies for retirement benefits, the amount payable to the alternate payee must be recalculated pursuant to the family law order.

#### **C. SURVIVOR RETIREMENT BENEFITS**

If the participant dies prior to receiving a monthly retirement benefit, the alternate payee is entitled to receive a survivor benefit. The amount payable to the alternate payee will be a percentage of the member's account balance, or if the participant was vested at the time of death, an actuarial equivalent benefit payable for the alternate payee's life. The percentage of the account balance, or the monthly benefit, payable to the alternate payee must be determined by the following formula.

$X\%$  times [the number of years of service the TRS benefit was earned during the marriage] divided by [the total number of years used to calculate participant's retirement benefit]. If payable in a monthly benefit, this amount must be actuarially adjusted to calculate the actuarial equivalent benefit payable for the life of the alternate payee.

#### **D. WITHDRAWAL OF MEMBER CONTRIBUTIONS**

If a participant elects to withdraw their account balance from the TRS and forfeit all rights to service, disability, or survivor benefits, the alternate payee is entitled to a percentage of the amount payable to the participant as determined by the following formula.

Total years of service the benefit was earned during the marriage divided by the total years of creditable service used in the calculation of the retirement benefit, multiplied by a "percentage share" of the benefit payable to the alternate payee, multiplied by the total amount payable to the participant.

#### **4. REVIEWED BY THE TRS BOARD**

Each FLO establishing a final obligation concerning payments by the TRS must contain a statement that the order is subject to review and approval by the TRS. An alternate payee's rights and interests established in the FLO may be modified only by a subsequent FLO amending preceding FLO(s).

#### **5. EFFECTIVE DATE**

The FLO is effective either the first day of the month following receipt by the TRS, or on a particularly specified future date.

## APPENDIX A – ACTIVE MEMBER

**NOTE: THIS FORM APPLIES TO CURRENT TRS MEMBERS WHO HAVE NOT YET APPLIED FOR A RETIREMENT BENEFIT/**

IN THE MONTANA \_\_\_\_\_ JUDICIAL DISTRICT COURT  
\_\_\_\_\_ COUNTY

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) Cause No. \_\_\_\_\_  
)  
) **FAMILY LAW ORDER**  
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This Court having entered a Final Decree and Dissolution of Marriage in the above-captioned proceeding on \_\_\_\_\_, \_\_\_\_\_, 20\_\_\_\_, and having jurisdiction of the parties and subject matter hereof,

**IT IS HEREBY ORDERED:**

This Order is a disposition of [marital property or spousal support] pursuant to Title 40, MCA, specifically relating to [Petitioner/Respondent's] interest in a benefit under the Teachers' Retirement System, Title 19, chapter 20, MCA. Pursuant to Section 19-20-305, MCA, this Family Law Order assigns a portion of the [Petitioner/Respondent's] Teachers' Retirement System benefits from [Petitioner/Respondent] to [Petitioner/Respondent], in recognition of the existence of [his/her] marital rights.

1. THE PARTIES

A. Participant Information. \_\_\_\_\_ is a Participant in the Montana Teachers' Retirement System (TRS). Participant has, or may have in the future, the right to designate payment options and beneficiaries under the TRS. Participant's full legal name, address, social security number, and birth date are:

Name:  
Address:  
SSN:  
Birth Date:

B. Alternate Payee Information. \_\_\_\_\_ is an Alternate Payee entitled to marital property (or spousal maintenance) from the Participant pursuant to Section 19-20-305, MCA, as specified in this document. Alternate Payee's full legal name, address, social security number, and birth date are:

Name:  
Address:  
SSN:  
Birth Date:

## 2. RIGHT TO MONETARY PAYMENTS

A. Service Retirement. If Participant receives a service retirement benefit, the Alternate Payee is entitled to receive: [choose option i or option ii]

i. A percentage of each monthly benefit payment which would otherwise be payable to Participant. The percentage of the Participant's monthly benefit to be received by the Alternate Payee will be calculated as \_\_\_\_\_ % times \_\_\_\_\_ years [insert the number of years of service the TRS benefit was earned during the marriage] divided by the total number of years used to calculate Participant's retirement benefit. The amount payable to the Alternate Payee by the Teachers' Retirement System will be the actuarial equivalent benefit payable for the life of the Alternate Payee as determined by the Teachers' Retirement Board.

ii. \$\_\_\_\_.00 per month for a period of \_\_\_\_\_ months, or until the death of the Participant, whichever occurs first<sup>3</sup>.

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<sup>3</sup> A fixed amount must be payable for a determinate period of time not greater than the life of the Participant. If a fixed dollar amount is required, all benefits payable to the Alternate Payee terminate upon the death of the Participant.



B. Disability Retirement. If Participant receives a disability benefit, Alternate Payee is entitled to a portion, of each disability payment which would otherwise be payable to the Participant as calculated in the paragraph (2)(A). The amount payable to the Alternate Payee by the Teachers' Retirement System will be the actuarial equivalent benefit payable for the life of the Alternate Payee as determined by the Teachers' Retirement Board.

If the Participant's disability retirement benefit is canceled pursuant to §19-20-603 or 19-20-905, MCA, the Alternate Payee's payments must also terminate. At the time the Participant again qualifies for retirement benefits, the amount payable to the Alternate Payee must be recalculated pursuant to this family law order.

C. Survivorship Payments. In the event of Participant's death before retirement, the Alternate Payee may elect to receive a percentage of the account balance, or of the monthly survivor benefit calculated in the same manner as in paragraph (2)(A). If a monthly benefit is elected, the amount payable to the Alternate Payee by the Teachers' Retirement System will be the actuarial equivalent benefit payable for the life of the Alternate Payee as determined by the Teachers' Retirement Board

D. Withdrawal of Accumulated Contributions. If Participant withdraws their accumulated contributions from TRS, the Alternate Payee is entitled to a percentage of the withdrawal as calculated in the paragraph (2)(A).

### 3. DURATION OF PAYMENTS

The Alternate Payee's right to receive service, disability, or survivorship benefits from the Teachers' Retirement System terminates on the death of the Alternate Payee.

4. EFFECTIVE DATE. This Order is subject to review and approval by the Teachers' Retirement Board. It is effective the first day of the month following receipt by the TRS (or on a particularly specified future date). Alternate Payee's rights and interests established by this Order may be modified only by a subsequent Family Law Order amending this Order. The Court reserves jurisdiction for that purpose.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
DISTRICT COURT JUDGE

## APPENDIX B – RETIRED PARTICIPANT

**NOTE: THIS FORM APPLIES TO CURRENT TRS PARTICIPANTS WHO ARE RECEIVING MONTHLY RETIREMENT BENEFITS/**

IN THE MONTANA \_\_\_\_\_ JUDICIAL DISTRICT COURT  
\_\_\_\_\_ COUNTY

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) Cause No. \_\_\_\_\_  
)  
) **FAMILY LAW ORDER**  
)  
)  
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This Court having entered a Final Decree and Dissolution of Marriage in the above-captioned proceeding on \_\_\_\_\_, \_\_\_\_, 20\_\_\_\_, and having jurisdiction of the parties and subject matter hereof,

**IT IS HEREBY ORDERED:**

This Order is a disposition of marital property [or spousal support] pursuant to Title 40, MCA, specifically relating to [Petitioner/Respondent's] interest in a benefit under the Teachers' Retirement System, Title 19, chapter 20, MCA. Pursuant to Section 19-20-305, MCA, this Family Law Order assigns a portion of the [Petitioner/Respondent's] Teachers' Retirement System benefits from [Petitioner/Respondent] to [Petitioner/Respondent], in recognition of the existence of [his/her] marital rights.

**3. THE PARTIES**

A. Participant Information. \_\_\_\_\_ is a Participant in the Montana Teachers' Retirement System (TRS). The Participant is a retired TRS member who elected payment option [insert option elected at time of retirement, i.e., Normal Form, A, B, C, D, E, 5-year, 10-year, 15-year, or 20-year certain and life] and designated a beneficiary(ies)

under the TRS. Participant's full legal name, address, social security number, and birth date are:

Name:  
Address:  
SSN:  
Birth Date:

B. Alternate Payee Information. \_\_\_\_\_ is an Alternate Payee entitled to marital property (or spousal maintenance) from the Participant pursuant to Section 19-20-305, MCA, as specified in this document. Alternate Payee's full legal name, address, social security number, and birth date are:

Name:  
Address:  
SSN:  
Birth Date:

#### 4. RIGHT TO MONETARY PAYMENTS

Participant retired effective MM/DD/YYYY, and elected option [Normal Form, A, B, C, D, E, 5-year, 10-year, 15-year, or 20-year certain and life], designating \_\_\_\_\_ as the beneficiary to receive benefits upon their death. The Alternate Payee is entitled to receive a percentage of each monthly benefit payment which would otherwise be payable to Participant. The percentage of the Participant's monthly benefit to be received by the Alternate Payee will be calculated as \_\_\_\_\_ % times \_\_\_\_\_ years [insert the number of years of service the TRS benefit was earned during the marriage] divided by the total number of years used to calculate Participant's retirement benefit. The amount payable to the Alternate Payee by the Teachers' Retirement System will be the actuarial equivalent benefit payable for the life of the Alternate Payee as determined by the Teachers' Retirement Board.

#### 3. DURATION OF PAYMENTS

The Alternate Payee's rights to receive service or disability retirement benefits from the Teachers' Retirement System terminate pursuant to the laws applicable to the retirement option selected at the time of retirement by the Participant<sup>4</sup>.

#### 4. EFFECTIVE DATE

This Order is subject to review and approval by the Teacher's Retirement Board. It is effective the first day of the month following receipt by the TRS (or on a particularly specified future date). Alternate Payee's rights and interests established by this Order may be modified only by a subsequent Family Law Order amending this Order. The Court reserves jurisdiction for that purpose.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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DISTRICT COURT JUDGE

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<sup>4</sup> If a retiree returns to a position covered under the TRS, and again becomes an active contributing member, their monthly retirement benefit is cancelled, which will result in the cancellation of the Alternate Payee's benefits. When they subsequently retire again, if they have earned at least one full year creditable service, their retirement benefit is recalculated. If they are not credited with at least one full year of creditable service, their benefit is simply reinstated to the amount payable at the time the benefit was cancelled. Upon the subsequent retirement of the Participant, the FLO on file will be used to determine the amount payable to the Alternate Payee.